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France

Dried Fruit

Annual

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Report Highlights:

For 2002, French prune production is estimated at 45,979 MT, or 23% lower from in 2001. For 2003, French production is estimated at 50,000 MT. This increase is expected due to more favorable weather conditions. France is a net prune exporter, and competes with the United States on EU markets. During MY 2001/02, French exports increased significantly, mainly due to a sharp increase in shipments to Algeria, a traditional market for French prunes. The zero-duty agreement for fruits and vegetables recently signed by the EU and Chile is expected to increase imports from Chile and dampen prices on the EU market.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Paris [FR1], FR

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Executive Summary

For 2002, French prune production is estimated at 45,979 MT, or 23% lower from in 2001. For 2003, French production is estimated at 50,000 MT. This increase is expected due to more favorable weather conditions. France is a net prune exporter, and competes with the United States on EU markets. During MY 2001/02, French exports increased significantly, mainly due to a sharp increase in shipments to Algeria, a traditional market for French prunes. The zero-duty agreement for fruits and vegetables recently signed by the EU and Chile is expected to increase imports from Chile and dampen prices on the EU market.

Section I: Situation and Outlook

As a net prune exporter, France competes with the United States on the EU markets, specifically in the UK, Germany, Greece, the Netherlands and Italy. Overall, France supplies more than half of the EU market, while the United States supplies a little more than a third. During MY 2001/02, French prune exports to Algeria increased significantly, now France's leading export market. Algeria is a traditional market for French prunes, and trade relations are now recovering, due to the greatly improved Franco-Algerian political relations.

Over the past few years, imports from South America to the EU and France have been rising, due to the price-competitiveness of South-American prunes compared to French and U.S. products. During MY 2001/02, product from Argentina and Chile represented 25% of French imports. French prune growers expect that the zero-duty agreement recently signed by the EU and Chile on fruits and vegetables will increase those imports and depress prices.

In 2002, for the first time in France, prunes harvested under certain standards have benefitted from a Protected Geographical Indication (PGI), with a European logo "Pruneaux d'Agen" brand name. The promotion of brand name is aimed at targeting the domestic market; it will also differentiate high-quality domestic production from imported product. Please see Paris report FR0009 for more information on the "Pruneaux d'Agen" PGI logo standards, and Paris report FR1062 for general information on the EU PGI logo system. A description of the product is available on the EU Commission website dedicated to PGI products:

http://www.europa.eu.int/comm/agriculture/qual/en/1201_en.htm

Section II: Statistical Tables

PSD Table						
Country	France					
Commodity	Dried Prunes				(HA)(1000 TREES)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		09/2001		09/2002		09/2003
Area Planted	12500	13300	12500	13430	0	13400
Area Harvested	11500	12400	11500	12780	0	12500
Bearing Trees	2300	2500	2300	2550	0	2500
Non-Bearing Trees	200	100	200	130	0	100
Total Trees	2500	2600	2500	2680	0	2600
Beginning Stocks	13540	13540	24000	28000	24500	27700
Production	56000	56556	45000	45979	0	50000
Imports	1500	2901	1500	2000	0	1500
TOTAL SUPPLY	71040	72997	70500	75979	24500	79200
Exports	16000	16051	16000	18000	0	20000
Domestic Consumption	31040	28946	30000	30279	0	31200
Ending Stocks	24000	28000	24500	27700	0	28000
TOTAL DISTRIBUTIO N	71040	72997	70500	75979	0	79200

Sources: French prune growers, Office of Statistics of the French Ministry of Agriculture (SCEES), Eurostat

Export Trade Matrix			
Country	France		
Commodity	Dried Prunes		
Time period	Aug-Sept	Units:	MT
Exports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Germany	1372	Algeria	3269
UK	1343	UK	1738
Netherlands	1303	Germany	1462
Italy	1253	Greece	1439
Belgium	1250	Netherlands	1362
Greece	1108	Italy	1259
Algeria	945	Tunisia	1231
Spain	873	Belgium	1196
Russia	509	Russia	769
Tunisia	436	Spain	600
Total for Others	10392		14325
Others not Listed	2023		1726
Grand Total	12415		16051

Source: Eurostat

Import Trade Matrix			
Country	France		
Commodity	Dried Prunes		
Time period	Aug-Sept	Units:	MT
Imports for:	2000		2001
U.S.	232	U.S.	85
Others		Others	
Chile	881	Tunisia	910
Tunisia	388	Argentina	596
Argentina	373	UK	532
Serbia	262	Serbia	335
Turkey	239	Chile	200
Total for Others	2143		2573
Others not Listed	264		243
Grand Total	2639		2901

Section III: Supply, Demand, Policy and Marketing

Production

For 2002, French prune production is estimated to be 45,979 MT, 23% lower than in 2001, and below the 50,000 MT to 55,000 MT production range generally accepted as average for the French prune industry. The 2002 drop was mainly the result of adverse weather conditions. In 2003, a more "average" crop is expected or approximately 50,000 MT.

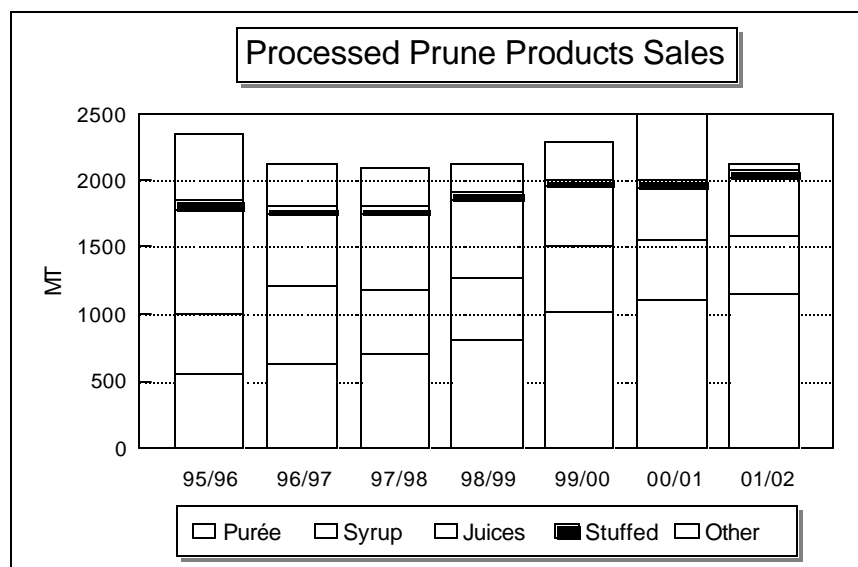
Consumption

Prunes are consumed fresh or as a processed-food product in form of juices or ingredients for cookies, yogurts, etc. In CY 2002, French consumption of fresh prunes increased by approximately 2% over 2001, due in part to the domestic marketing efforts of the French Prune Board (BIP). These include TV campaigns, distribution of samples to children in ski resorts, prune cuisine in hotel chains, and BIP's presence in major shows such as the International Agricultural Show (SIA) and the "Children and Taste" show ("Les Enfants du Goût") in Paris.

During the 2001/02 marketing year, 2,134 MT of prunes were processed into 4,906 MT of processed products, including the following:

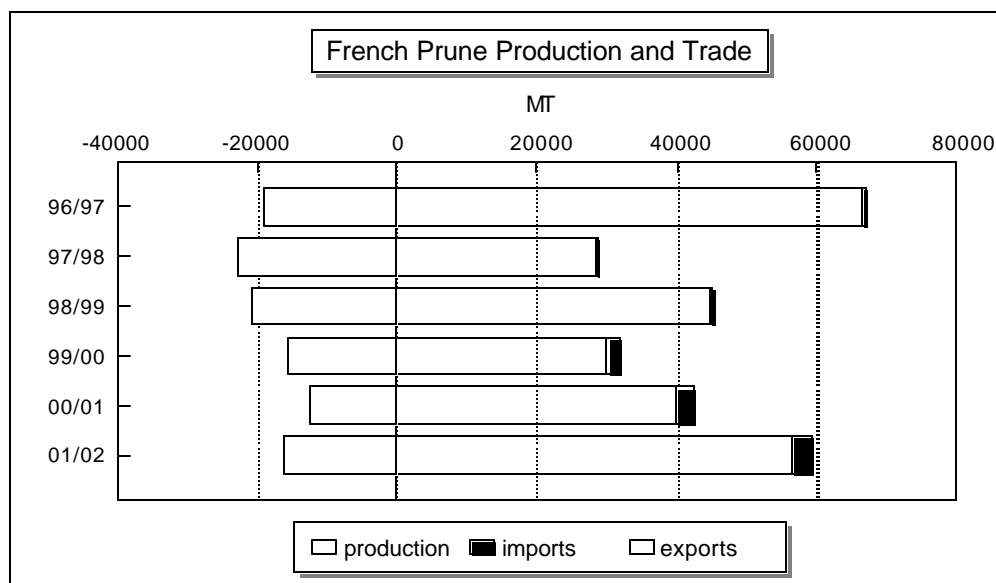
	Raw Prunes Used for Processing (MT)		Final Products Processed from Prunes (MT)	
	2000/01	2001/02	2000/01	2001/02
Prune Purée	1,096	1,157	2,400	2,426
Prunes in Syrup	451	421	1,369	1,289
Juices and Concentrates	394	444	1,036	1,030
Stuffed Prunes	55	59	78	84
Other	499	53	572	77
TOTAL	2,495	2,134	5,455	4,906

During MY 2001/02, the following graph shows a decline in sales of processed-prune products. This decline came after three consecutive years of increased sales due to French consumers' growing interest for these products. However, since MY 1995/96, prune purée sales have been growing in spite of fluctuations in domestic prune production.



Trade

France is a net exporter of prunes, and prune imports are insignificant compared to domestic production, as indicated in the graph below.



France competes with the United States on the EU market. France and the United States respectively supply about 53 and 35% to the EU. As indicated in the export trade matrix, French and U.S. prunes compete in the UK, Germany, Greece, the Netherlands and Italy. In MY 2001/02, French exports targeted additional markets in North Africa. Algeria was France's leading export market with 20% of the export sales, and Tunisia represented nearly 8% of total French exports.

French prune growers are worried that Chilean imports to the EU will increase significantly in the coming years. Chile, a major supplier of low-priced prunes, has recently signed a zero-duty agreement with the EU on fruits and vegetables, including prunes. In MY 2001/02, France's imports from South American countries (Chile and Argentina) represented 25 percent of overall French prune imports. Shipments from these countries have increased over the past years, replacing low-priced, low-quality prunes traditionally imported from Yugoslavia. Eurostat data also indicate that shipments of prunes from Serbia to France have increased from 80 MT in MY 1999/2000 to 335 MT in MY 2001/02.

Marketing

The French strategy is to continue to produce large grade, high-value prunes, as there are no major competitors to France on this market: The Californian product on the market is principally pitted prunes, while Chilean prunes are low grade. Moreover, Argentinian prunes are mainly produced for the processing industry.

French prunes produced under certain standards now benefit from the Protected Geographical Indication (PGI) European logo and French prune growers hope that this PGI will help differentiate their product. The prized name "Pruneaux d'Agen" can only be used for French prunes. Please see Paris report FR0009 for more information on the "Pruneaux d'Agen" PGI logo standards, and Paris report FR1062 for general information on the EU PGI logo system. A description of the product is available on the EU Commission website dedicated to PGI products:

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The French prune board (BIP) administers its own budget for overseas promotions. In calendar year 2001, BIP's total promotional budget (domestic and overseas) amounted to 2.9 million Euros (\$2.6 million), from this amount only 790,000 Euros (\$707,885) were used for overseas promotions. The BIP budget is funded by the industry from a two percent contribution levied on growers' sales and another two percent on processors' sales. BIP does not conduct activities in the United States. Information on characteristics of French prunes and the French prune industry is available on BIP's website (in French and English): <http://www.pruneau.fr>